

Message Text

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PAGE 01 STATE 000252
ORIGIN EB-07

INFO OCT-01 EA-09 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00
DOTE-00 INR-07 NSAE-00 CIEP-02 FAA-00 L-03 /034 R

DRAFTED BY EB/AN:TROESCH:BA
APPROVED BY EB/AN:RABROWN
EA/IMS:ADORNHEIM
EA/IMS:WSHEPHERD
CAB:ELBROWN

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R 032116Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY SINGAPORE
AMEMBASSY JAKARTA

UNCLAS STATE 000252

E.O. 11652: N/A

TAGS: EAIR

SUBJECT: CIVAIR: SIA AND GARUDA APPLICATIONS DEFERRED
BY CAB

1. ON DECEMBER 27, 1976, CAB ISSUED ORDER DEFERRING
FURTHER ACTION ON SIA AND GARUDA APPLICATIONS UNTIL RESPEC-
TIVE NEGOTIATIONS ARE CONCLUDED.

2. ACCORDING TO ORDER, BOARD'S DEFERRAL QUOTE GOVERNED BY
PUBLIC INTEREST CRITERIA OF SECTION 402 OF FEDERAL AVIATION
ACT. COMITY AND RECIPROCITY ARE ONLY TWO OF THE FACTORS
WHICH BOARD HAS TRADITIONALLY CONSIDERED IN REACHING
DETERMINATION OF PUBLIC INTEREST. IN EVALUATING PUBLIC
INTEREST, BOARD MUST CONSIDER ITS RESPONSIBILITIES UNDER
SECTION 102 OF THE ACT TO PROMOTE "ADEQUATE, ECONOMICAL
AND EFFICIENT SERVICE BY AIR CARRIERS" AND "FOSTER SOUND
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ECONOMIC CONDITIONS IN AIR TRANSPORTATION." SIMILAR
CONSIDERATIONS ARE REFLECTED IN RECENTLY ISSUED INTER-
NATIONAL AIR TRANSPORTATION POLICY OF THE UNITED STATES,
WHICH SUGGESTS THAT NEGOTIATIONS ARE VEHICLE FOR CREATING
EQUITABLE EXCHANGE OF ROUTE RIGHTS WITHIN CONTEXT OF INTER-
NATIONAL ENVIRONMENT WHERE US CARRIERS HAVE FAIR AND EQUAL
OPPORTUNITY TO COMPETE WITH FOREIGN CARRIERS. THUS, THESE

TWO APPLICATIONS CANNOT BE DECIDED IN VACUUM, BUT MUST BE

CAREFULLY EVALUATED IN LIGHT OF (1) OVERALL UNITED STATES INTERESTS IN AIR TRANSPORTATION BETWEEN SOUTHEAST ASIA AND US, AND (2) POTENTIAL NEGATIVE IMPACT WHICH IMMEDIATE AWARD TO EITHER CARRIER MIGHT HAVE ON CURRENT BILATERAL NEGOTIATIONS WITH SINGAPORE AND INDONESIA, AS WELL AS THE NEGOTIATIONS WITH THE PHILIPPINES AND WITH RESPECT TO HONG KONG.

QUOTE THESE POLICY CONSIDERATIONS LEAD US TO CONCLUDE THAT IT IS DESIRABLE TO DEFER DECISION ON SUBJECT APPLICATIONS PENDING OUTCOME OF BILATERAL NEGOTIATIONS CURRENTLY IN PROGRESS. ECONOMICS OF TRANSPACIFIC SERVICE MAY WELL PRECLUDE GRANT OF AUTHORITY TO SERVE US MAINLAND TO ALL OF NATIONS WITH WHOM WE ARE CURRENTLY NEGOTIATING OR WITH WHICH WE MAY NEGOTIATE IN NEAR FUTURE AND MAY THEREFORE COMPEL DIFFICULT CHOICES AMONG THEM, DEPENDENT ON OVERALL PUBLIC BENEFITS EACH OFFERS TO UNITED STATES. THE BEST MEANS FOR RESOLVING SUCH MATTERS IN PUBLIC INTEREST IS THE BILATERAL NEGOTIATION PROCESS. IT WOULD, THEREFORE, BE IMPRUDENT TO ENCOURAGE GIA AND/OR SIA TO INCUR THE EXPENSE OF INITIATING SERVICE TO THE US BY GRANTING THEM PERMITS OF LIMITED DURATION, UNLESS CONTINUATION OF THAT SERVICE FOR A SUFFICIENT TIME TO ALLOW THEM TO RECOUP THAT INVESTMENT WERE REASONABLY ASSURED. MOREOVER, GRANT OF SUCH SHORT-TERM AUTHORITY WOULD BE INCONSISTENT WITH INTEREST OF ALL CONCERNED IN A PROMPT RESOLUTION OF THE BILATERAL NEGOTIATIONS, AS IT WOULD UNCLASSIFIED

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INEVITABLY BE VIEWED AS A FAIT ACCOMPLI, THEREBY UNDERMINING BARGAINING LEVERAGE OF US DELEGATIONS, AND POSSIBLY PREJUDICING THE CHOICE OF THE MOST FAVORABLE OFFER OR OFFERS.

QUOTE THE BOARD'S ACTION HEREIN DOES NOT IMPLY A LACK OF RECOGNITION OR APPRECIATION OF THE PAST BENEFITS RECEIVED BY US-FLAG CARRIERS FROM GOVERNMENTS OF SINGAPORE AND INDONESIA. OBVIOUSLY, SUCH BENEFITS WILL RECEIVE FAVORABLE CONSIDERATION IN THE NEGOTIATIONS. UNQUOTE

3. COPY OF ORDER BEING POUCHED TO BOTH EMBASSIES.
KISSINGER

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ORIGIN EB-02

INFO OCT-01 EA-02 ISO-00 /005 R

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FM SECSTATE WASHDC

TO AMEMBASSY MANILA

UNCLAS STATE 000252

FOL REPEAT STATE 000252 ACTION SINGAPORE JAKARTA DTD 3 JAN.

QUOTE

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SECTION 102 OF THE ACT TO PROMOTE "ADEQUATE, ECONOMICAL
AND EFFICIENT SERVICE BY AIR CARRIERS" AND "FOSTER SOUND
ECONOMIC CONDITIONS IN AIR TRANSPORTATION." SIMILAR
CONSIDERATIONS ARE REFLECTED IN RECENTLY ISSUED INTER-
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THE BEST MEANS FOR RESOLVING SUCH MATTERS IN PUBLIC
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INCUR THE EXPENSE OF INITIATING SERVICE TO THE US BY
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RESOLUTION OF THE BILATERAL NEGOTIATIONS, AS IT WOULD
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MINING BARGAINING LEVERAGE OF US DELEGATIONS, AND
POSSIBLY PREJUDICING THE CHOICE OF THE MOST FAVORABLE
OFFER OR OFFERS.

QUOTE THE BOARD'S ACTION HEREIN DOES NOT IMPLY A LACK OF
RECOGNITION OR APPRECIATION OF THE PAST BENEFITS RECEIVED
BY US-FLAG CARRIERS FROM GOVERNMENTS OF SINGAPORE AND
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KISSINGER

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Sent Date: 03-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: TROESCH:BA
Enclosure: n/a
Executive Order: N/A
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From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770184/aaaacvtg.tel
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TAGS: EAIR, SN, GARUDA, SIA
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